13 April 1954
Copy No. 76
INTELLIGENCE BULLETIN
ENT NO. 28 NGE IN CLASS. IN ASSIFIED CHANGED TO: TS S C VIEW DATE: 2009
HR 70-2 PS/12/79 REVIEWER:
e of Current Intelligence
L INTELLIGENCE AGENCY

SUMMARY

FAR EAST

1. South Korea places embargo on Japanese products (page 3).

SOUTHEAST ASIA

2.	Dien Bien Phu position retaken by French will be difficult to hold (page 3).
3	

WESTERN EUROPE

4. Monnet's tenure as CSC president seen threatened (page 5).

* * * *

25X1A

25X1

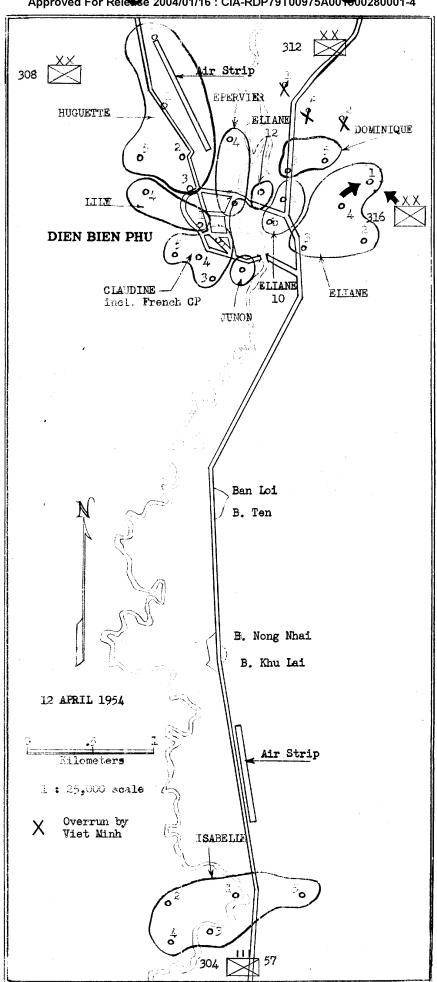
Approved For Release 2004/01/16 : CIA-RDP79T00975A001500280001-4

FAR EAST

	THI LINE
1.	South Korea places embargo on Japanese products:
25X1A	South Korea, apparently on direct orders from President Rhee, has imposed a virtually complete embargo on imports from Japan, according to Ambassador Briggs. Korean officials assert that the primary reason is the need for freeing the nation from economic dependence on Japan, but Briggs believes that Rhee is also motivated by a belief that Japan is attempting to influence the elections on 20 May.
	Restrictions were progressively applied to expenditure of South Korea's own foreign exchange holdings during March, and have now been extended to the use of American FOA funds to pay for imports of Japanese cotton cloth.
	Comment: Rhee may be testing the American reaction to a South Korean attempt to control the source of supply of goods purchased with American funds.
	Rhee's unilateral action violates basic American legislation requiring that aid funds be spent in markets where goods can be purchased most advantageously. It is further contrary to an American-South Korean agreement providing for joint consultation on use of South Korean foreign exchange holdings.
	SOUTHEAST ASIA
2.	Dien Bien Phu position retaken by French will be difficult to hold:
25X1A	Dien Bien Phu position Eliane 1, which the French retook on 10 April, has been the object of sharp attacks and counterattacks during the past two days (see map, p. 4). At 1700 on 12 April, the French still held the position, but the American army attaché in Saigon be-
	lieves it will be difficult to hold indefinitely. Eliane 1 affords a

inated by Dominique 2, which is held by the Viet Minh.

close-in view of most of the northern defense positions, but is dom-

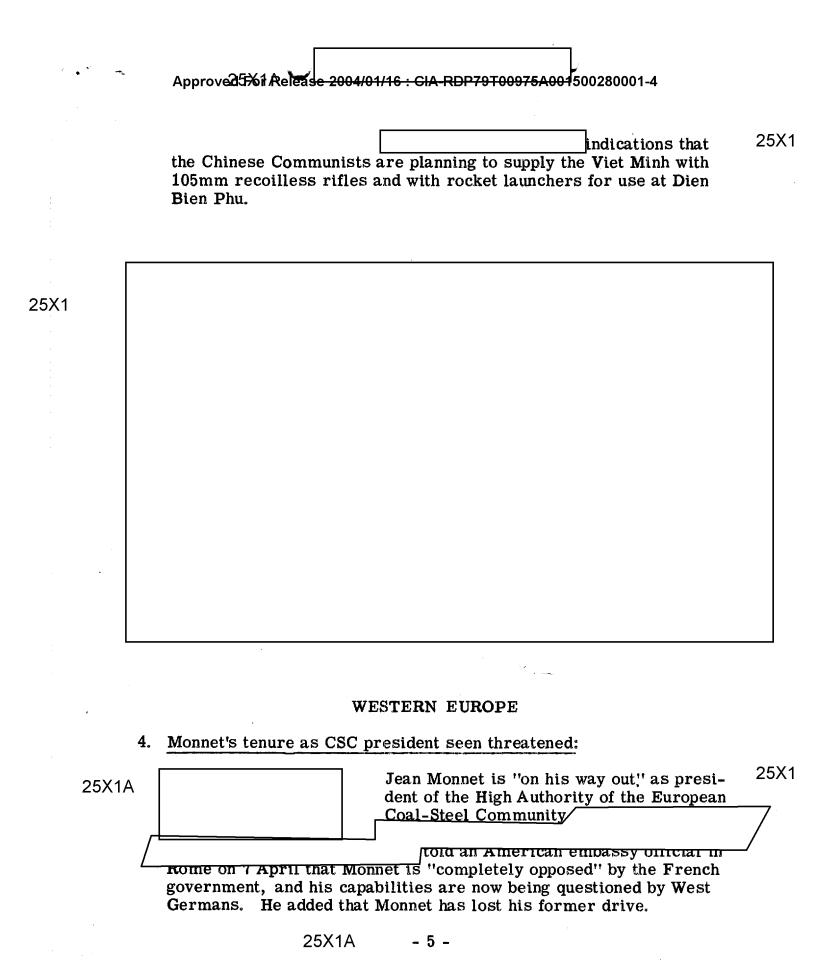


Approved For Release 2004/01/16 : CIA-RDP79T00975A001500280001-4

25X1A

25X1A

10170



Approved For Release 2004/01/16: CIA-RDP79T00975A00 5002800013 Apr 54

Comment: The High Authority president is selected by the six CSC member governments for a two-year term. Although opposition to Monnet's policies has increased somewhat in recent months, his chances for re-election this summer still appear good.

Monnet, who has in large part been personally responsible for the achievements of the CSC thus far, is currently in Washington negotiating for a substantial loan to the community.